

**To: All Pharmacy Providers**

**RE: DAW 2-Audits**

If your pharmacy has received a letter concerning Dispense as Written (DAW) 2 audit findings, the pharmacy should disregard the letter and its enclosure. The Alabama Medicaid Agency will not make any corresponding adjustments to the next provider payment based on these findings.

Although an "Appropriate Utilization of DAW Codes" article has been circulated to pharmacies through educational newsletters, as well as listed on the Agency website ([www.medicaid.alabama.gov](http://www.medicaid.alabama.gov), click on Programs/Pharmacy/Billing Resources), claims continue to be submitted utilizing inappropriate product selection codes. Please note the Agency will be updating its written policy in the April 1, 2009 provider billing manual to enforce appropriate utilization of product selection codes as defined by NCPDP standard. The use of the DAW codes will be audited on a regular basis to ensure correct billing. **As such, pharmacy claims submitted after April 1, 2009 with inappropriate product selection/DAW codes will be recouped.**

March 16, 2009